

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature <i>Siegfried Crandall P.C.</i>			Date	

*Township of Lee*  
*Allegan County, Michigan*  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2006*

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## CONTENTS

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	Page
<b>INDEPENDENT AUDITORS' REPORT</b>	3 - 4
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide financial statements:	
Statement of net assets	5
Statement of activities	6
Fund financial statements:	
Balance sheet - governmental funds	7
Statement of revenues, expenditures, and changes in fund balances - governmental funds	8
Statement of fiduciary net assets - Agency Fund	9
Notes to financial statements	10 - 15
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary comparison schedules:	
General Fund	16 - 17
Fire Fund	18
<b>SUPPLEMENTARY INFORMATION</b>	
Combining balance sheet - nonmajor governmental funds	19
Combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	20

## INDEPENDENT AUDITORS' REPORT

Township Board  
Township of Lee, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Lee, Michigan, as of March 31, 2006, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of the Township of Lee, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Lee, Michigan, as of March 31, 2006, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

The budgetary comparison information, on pages 16 through 18, is not a required part of the basic financial statements but is supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Township of Lee, Michigan has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.

Township Board  
Township of Lee, Michigan  
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Lee, Michigan's basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Sigfried Crandall P.C.*

June 16, 2006

## **BASIC FINANCIAL STATEMENTS**

**Township of Lee**  
**STATEMENT OF NET ASSETS**  
March 31, 2006

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	<u><b>Governmental activities</b></u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,505,124
Receivables (net)	116,081
Prepaid expenses	<u>14,304</u>
Total current assets	<u>1,635,509</u>
Noncurrent assets:	
Receivables (net)	2,456
Capital assets (net of accumulated depreciation)	<u>579,972</u>
Total noncurrent assets	<u>582,428</u>
Total assets	<u>2,217,937</u>
 <b>LIABILITIES</b>	
Current liabilities - payables	<u>70,493</u>
 <b>NET ASSETS</b>	
Invested in capital assets	579,972
Restricted for:	
Public safety	516,883
Public works	116,428
Health and welfare	135,455
Unrestricted	<u>798,706</u>
Total net assets	<u>\$ 2,147,444</u>

See notes to financial statements

**Township of Lee**  
**STATEMENT OF ACTIVITIES**  
Year ended March 31, 2006

		<u>Program revenues</u>			<u>Net (expenses)</u> <u>revenues and</u> <u>changes in</u> <u>net assets</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	
	<u>Expenses</u>	<u>services</u>	<u>grants and</u> <u>contributions</u>	<u>grants and</u> <u>contributions</u>	
<b>Functions/Programs</b>					
Governmental activities:					
Legislative	\$ 5,263	\$ -	\$ -	\$ -	\$ (5,263)
General government	210,287	37,067	-	4,755	(168,465)
Public safety	356,613	44,332	16,360	-	(295,921)
Public works	170,800	73,972	5,598	-	(91,230)
Health and welfare	24,385	-	-	-	(24,385)
Culture and recreation	10,429	-	-	-	(10,429)
Total governmental activities	<u>\$ 777,777</u>	<u>\$ 155,371</u>	<u>\$ 21,958</u>	<u>\$ 4,755</u>	<u>(595,693)</u>
General revenues:					
Taxes					279,623
State grants					353,551
Investment income					37,040
Other					<u>10,240</u>
Total general revenues					<u>680,454</u>
Change in net assets					84,761
Net assets - beginning					<u>2,062,683</u>
Net assets - ending					<u>\$ 2,147,444</u>

See notes to financial statements

**Township of Lee**  
**BALANCE SHEET - governmental funds**  
March 31, 2006

	<u>General</u>	<u>Fire</u>	<u>Total nonmajor governmental funds</u>	<u>Total governmental funds</u>
<b>ASSETS</b>				
Cash	\$ 624,236	\$ 490,333	\$ 390,555	\$ 1,505,124
Receivables	<u>63,384</u>	<u>35,029</u>	<u>20,124</u>	<u>118,537</u>
Total assets	<u>\$ 687,620</u>	<u>\$ 525,362</u>	<u>\$ 410,679</u>	<u>\$ 1,623,661</u>

**LIABILITIES AND FUND BALANCES**

Liabilities - payables	\$ 41,086	\$ 16,005	\$ 13,402	\$ 70,493
Fund balances - unreserved, undesignated	<u>646,534</u>	<u>509,357</u>	<u>397,277</u>	<u>1,553,168</u>
Total liabilities and fund balances	<u>\$ 687,620</u>	<u>\$ 525,362</u>	<u>\$ 410,679</u>	<u>\$ 1,623,661</u>

Total fund balances - total governmental funds \$ 1,553,168

Amounts reported for *governmental activities* in the statement of net assets (page 5) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds. 579,972

Prepaid expenses are not a current financial resource and, therefore, are not reported in the funds. 14,304

Net assets of *governmental activities* \$ 2,147,444

See notes to financial statements

**Township of Lee**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - governmental funds**

Year ended March 31, 2006

	<u>General</u>	<u>Fire</u>	<u>Total nonmajor governmental funds</u>	<u>Total governmental funds</u>
<b>REVENUES</b>				
Taxes	\$ 59,991	\$ 179,676	\$ 63,221	\$ 302,888
Licenses and permits	36,295	-	-	36,295
State grants	359,149	-	-	359,149
Contributions from local units	-	16,360	-	16,360
Charges for services	31,833	-	-	31,833
Interest	20,279	9,969	6,792	37,040
Other	5,727	8,441	60,050	74,218
Total revenues	<u>513,274</u>	<u>214,446</u>	<u>130,063</u>	<u>857,783</u>
<b>EXPENDITURES</b>				
Legislative	5,263	-	-	5,263
General government	197,358	-	-	197,358
Public safety	209,305	81,724	-	291,029
Public works	139,897	-	24,948	164,845
Health and welfare	-	-	24,446	24,446
Culture and recreation	7,227	-	-	7,227
Capital outlay	11,138	8,566	-	19,704
Total expenditures	<u>570,188</u>	<u>90,290</u>	<u>49,394</u>	<u>709,872</u>
<b>NET CHANGES IN FUND BALANCES</b>	(56,914)	124,156	80,669	147,911
<b>FUND BALANCES - BEGINNING</b>	<u>703,448</u>	<u>385,201</u>	<u>316,608</u>	<u>1,405,257</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 646,534</u>	<u>\$ 509,357</u>	<u>\$ 397,277</u>	<u>\$ 1,553,168</u>

Net change in fund balances - total governmental funds \$ 147,911

Amounts reported for *governmental activities* in the statement of activities (page 6) are different because:

Capital assets:

Assets acquired	17,002
Disposal of assets	(648)
Provision for depreciation	(78,319)

Changes in other assets/liabilities - net increase in prepaid expenses (1,185)

Change in net assets of *governmental activities* \$ 84,761

See notes to financial statements

***Township of Lee***

**STATEMENT OF FIDUCIARY NET ASSETS - *Agency Fund***

***March 31, 2006***

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**ASSETS**

Cash	\$ <u>2,874</u>
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**LIABILITIES**

Due to others	\$ <u>2,874</u>
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*See notes to financial statements*

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Lee, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

*a) Reporting entity:*

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

*b) Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

*c) Measurement focus, basis of accounting, and financial statement presentation:*

The government-wide financial statements are reported using the economic resources, measurement focus, and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*c) Measurement focus, basis of accounting, and financial statement presentation (continued):*

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Fund accounts for the financial resources used for the operational costs of the Township fire protection functions. Revenues are primarily derived from property taxes.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB). The Township has elected not to follow subsequent private-sector standards.

The Township reports a single fiduciary fund, Agency Fund, which accounts for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

*d) Assets, liabilities, and net assets or equity:*

i) *Bank deposits* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) *Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) *Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

iv) *Capital assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 (\$10,000 for infrastructure assets) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2005.

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

d) *Assets, liabilities, and net assets or equity (continued):*

iv) *Capital assets (continued)*

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 - 60 years
Equipment	3 - 5 years
Vehicles	5 - 10 years
Water systems	50 years
Roads	20 years

v) *Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

vi) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is July 1, and, accordingly, the total levy is recognized as revenue in the current year.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

*Budgetary information* - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year.

The following schedule set forth significant budget variations:

<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	Public safety	Police protection	\$ 153,589	\$ 164,130	\$ 10,541
Lower Scott Lake	Public works	Lake management	-	24,948	24,948

**NOTE 3 - CASH:**

The Township's cash is as follows:

	<u>Governmental activities</u>	<u>Fiduciary</u>	<u>Total</u>
Cash	\$ 1,505,124	\$ 2,874	\$ 1,507,998

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 3 - CASH (Continued):**

State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2006, the Township had deposits with a carrying amount of \$1,507,758.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by federal depository insurance and are uncollateralized. At March 31, 2006, \$1,143,016 of the Township's bank balances of \$1,509,704 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Township believes that it is impractical to insure all bank deposits due to the amounts of the deposits and the limits of FDIC insurance. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the risk level of each institution. Only the institutions with an acceptable estimated risk level are used as depositories.

**NOTE 4 - RECEIVABLES:**

Receivables as of year end for the government's individual major and nonmajor funds, in the aggregate, are as follows:

<i>Fund</i>	<i>Accounts</i>	<i>Property taxes</i>	<i>Special assessments</i>	<i>Inter- governmental</i>	<i>Totals</i>
General	\$ -	\$ 11,095	\$ -	\$ 52,289	\$ 63,384
Fire	-	35,029	-	-	35,029
Nonmajor governmental	<u>2,456</u>	<u>11,599</u>	<u>6,069</u>	<u>-</u>	<u>20,124</u>
Totals	<u>\$ 2,456</u>	<u>\$ 57,723</u>	<u>\$ 6,069</u>	<u>\$ 52,289</u>	<u>\$ 118,537</u>
Noncurrent portion	<u>\$ 2,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,456</u>

All receivables are considered fully collectible.

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 5 - CAPITAL ASSETS:**

Capital asset activity for the year ended March 31, 2006, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 15,627	\$ -	\$ -	\$ 15,627
Capital assets being depreciated:				
Land improvements	55,679	-	-	55,679
Buildings and improvements	140,108	2,300	1,240	141,168
Equipment	152,069	14,702	-	166,771
Vehicles	571,808	-	-	571,808
Water system	238,207	-	-	238,207
Subtotal	<u>1,157,871</u>	<u>17,002</u>	<u>1,240</u>	<u>1,173,633</u>
Less accumulated depreciation for:				
Land improvements	27,835	3,712	-	31,547
Buildings and improvements	63,297	4,324	592	67,029
Equipment	100,753	19,809	-	120,562
Vehicles	309,900	44,519	-	354,419
Water system	29,776	5,955	-	35,731
Subtotal	<u>531,561</u>	<u>78,319</u>	<u>592</u>	<u>609,288</u>
Total capital assets being depreciated (net)	<u>626,310</u>	<u>(61,317)</u>	<u>648</u>	<u>564,345</u>
Governmental activities capital assets (net)	<u>\$ 641,937</u>	<u>\$ (61,317)</u>	<u>\$ 648</u>	<u>\$ 579,972</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 4,677
Public safety	64,485
Public works	5,955
Culture and recreation	<u>3,202</u>
Total governmental activities	<u>\$ 78,319</u>

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 6 - PAYABLES:**

Payables as of year end for the government's individual major and nonmajor funds, in the aggregate, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Other</u>	<u>Totals</u>
General	\$ 34,419	\$ 6,667	\$ -	\$ 41,086
Fire	6,367	9,638	-	16,005
Nonmajor governmental	<u>1,060</u>	<u>1,954</u>	<u>10,388</u>	<u>13,402</u>
Totals	<u>\$ 41,846</u>	<u>\$ 18,259</u>	<u>\$ 10,388</u>	<u>\$ 70,493</u>

**NOTE 7 - RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured, nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**NOTE 8 - CONSTRUCTION CODE ACT:**

A summary of construction code enforcement transactions for the year ended March 31, 2006, is as follows:

Revenues	\$ 36,295
Expenses	<u>38,280</u>
Deficiency of revenues over expenses	<u>\$ (1,985)</u>

## REQUIRED SUPPLEMENTARY INFORMATION

**Township of Lee****BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended March 31, 2006

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 54,834	\$ 54,834	\$ 59,991	\$ 5,157
Licenses and permits	45,000	45,000	36,295	(8,705)
State grants	357,587	357,587	359,149	1,562
Charges for services	25,600	25,600	31,833	6,233
Interest	6,000	6,000	20,279	14,279
Other	4,492	4,492	5,727	1,235
Total revenues	<u>493,513</u>	<u>493,513</u>	<u>513,274</u>	<u>19,761</u>
<b>EXPENDITURES</b>				
Legislative	<u>5,855</u>	<u>5,855</u>	<u>5,263</u>	<u>592</u>
General government:				
Supervisor	16,618	16,618	16,544	74
Election	6,400	6,400	867	5,533
Assessor	20,484	28,794	24,571	4,223
Clerk	21,842	22,742	20,070	2,672
Board of review	1,285	1,285	1,152	133
Treasurer	26,932	27,547	28,682	(1,135)
Hall and grounds	22,944	35,294	32,915	2,379
Cemetery	15,555	17,456	17,210	246
Other	<u>76,770</u>	<u>79,740</u>	<u>55,347</u>	<u>24,393</u>
Total general government	<u>208,830</u>	<u>235,876</u>	<u>197,358</u>	<u>38,518</u>
Public safety:				
Police	148,639	153,589	164,130	(10,541)
Building inspections	<u>51,900</u>	<u>52,900</u>	<u>45,175</u>	<u>7,725</u>
Total public safety	<u>200,539</u>	<u>206,489</u>	<u>209,305</u>	<u>(2,816)</u>
Public works:				
Highways and streets	81,000	81,000	78,063	2,937
Street lights	3,992	3,992	4,091	(99)
Transfer station	57,470	59,320	55,155	4,165
Drains	-	-	1,884	(1,884)
Water system	<u>1,100</u>	<u>1,100</u>	<u>704</u>	<u>396</u>
Total public works	<u>143,562</u>	<u>145,412</u>	<u>139,897</u>	<u>5,515</u>

**Township of Lee****BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended March 31, 2006

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (Continued)</b>				
Culture and recreation:				
Parks	\$ 2,970	\$ 3,270	\$ 3,205	\$ 65
Library	<u>2,760</u>	<u>4,010</u>	<u>4,022</u>	<u>(12)</u>
Total recreation and culture	<u>5,730</u>	<u>7,280</u>	<u>7,227</u>	<u>53</u>
Capital outlay	<u>7,000</u>	<u>14,150</u>	<u>11,138</u>	<u>3,012</u>
Total expenditures	<u>571,516</u>	<u>615,062</u>	<u>570,188</u>	<u>44,874</u>
<b>NET CHANGES IN FUND BALANCES</b>	(78,003)	(121,549)	(56,914)	64,635
<b>FUND BALANCES - BEGINNING</b>	<u>703,448</u>	<u>703,448</u>	<u>703,448</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 625,445</u>	<u>\$ 581,899</u>	<u>\$ 646,534</u>	<u>\$ 64,635</u>

**Township of Lee**  
**BUDGETARY COMPARISON SCHEDULE - Fire Fund**  
Year ended March 31, 2006

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 167,938	\$ 167,938	\$ 179,676	\$ 11,738
Contributions from local units	13,000	13,000	16,360	3,360
Interest	3,000	3,000	9,969	6,969
Other	-	-	8,441	8,441
Total revenues	<u>183,938</u>	<u>183,938</u>	<u>214,446</u>	<u>30,508</u>
<b>EXPENDITURES</b>				
Public safety	88,760	91,990	81,724	10,266
Capital outlay	<u>10,000</u>	<u>8,770</u>	<u>8,566</u>	<u>204</u>
Total expenditures	<u>98,760</u>	<u>100,760</u>	<u>90,290</u>	<u>10,470</u>
<b>NET CHANGES IN FUND BALANCES</b>	85,178	83,178	124,156	40,978
<b>FUND BALANCES - BEGINNING</b>	<u>385,201</u>	<u>385,201</u>	<u>385,201</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 470,379</u>	<u>\$ 468,379</u>	<u>\$ 509,357</u>	<u>\$ 40,978</u>

## SUPPLEMENTARY INFORMATION

**Township of Lee**  
**COMBINING BALANCE SHEET - nonmajor governmental funds**  
 March 31, 2006

	<b><i>Special revenue funds</i></b>				
	<b><i>First Responder</i></b>	<b><i>Lower Scott Lake</i></b>	<b><i>Revolving Loan</i></b>	<b><i>Public Improvement</i></b>	<b><i>Total</i></b>
<b>ASSETS</b>					
Cash	\$ 126,423	\$ 110,359	\$ 7,932	\$ 145,841	\$ 390,555
Receivables	11,599	6,069	2,456	-	20,124
Total assets	<u>\$ 138,022</u>	<u>\$ 116,428</u>	<u>\$ 10,388</u>	<u>\$ 145,841</u>	<u>\$ 410,679</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities - payables	\$ 3,014	\$ -	\$ 10,388	\$ -	13,402
Fund balances - unreserved, undesignated	<u>135,008</u>	<u>116,428</u>	<u>-</u>	<u>145,841</u>	<u>397,277</u>
Total liabilities and fund balances	<u>\$ 138,022</u>	<u>\$ 116,428</u>	<u>\$ 10,388</u>	<u>\$ 145,841</u>	<u>\$ 410,679</u>

**Township of Lee**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - nonmajor governmental funds**

*Year ended March 31, 2006*

	<b>Special revenue funds</b>				<b>Total</b>
	<b><u>First Responder</u></b>	<b><u>Lower Scott Lake</u></b>	<b><u>Revolving Loan</u></b>	<b><u>Public Improvement</u></b>	
<b>REVENUES</b>					
Taxes	\$ 63,221	\$ -	\$ -	\$ -	\$ 63,221
Interest	1,391	1,642	-	3,759	6,792
Other	50	60,000	-	-	60,050
Total revenues	<u>64,662</u>	<u>61,642</u>	<u>-</u>	<u>3,759</u>	<u>130,063</u>
<b>EXPENDITURES</b>					
Public works	-	24,948	-	-	24,948
Health and welfare	24,446	-	-	-	24,446
Total expenditures	<u>24,446</u>	<u>24,948</u>	<u>-</u>	<u>-</u>	<u>49,394</u>
<b>NET CHANGES IN FUND BALANCES</b>	40,216	36,694	-	3,759	80,669
<b>FUND BALANCES - BEGINNING</b>	<u>94,792</u>	<u>79,734</u>	<u>-</u>	<u>142,082</u>	<u>316,608</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 135,008</u>	<u>\$ 116,428</u>	<u>\$ -</u>	<u>\$ 145,841</u>	<u>\$ 397,277</u>